

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress ¹**

[Date approved: October 26, 2006]²

Bill No. and sponsor: S. 3359 (Mr. William H. Frist of Tennessee and Mr. Lamar Alexander of Tennessee).

Proponent name, location: Eastman Chemical Company, Kingsport, TN.

Other bills on product (109th Congress only): None.

Nature of bill: Temporary suspension of duty through December 31, 2009.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Diethyl ether (CAS No. 60-29-7) (provided for in subheading 2909.11.00).

Check one: Same as that in bill as introduced.
 Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

Diethyl ether is a synthetic organic chemical that is used to produce a catalyst for subsequent manufacturing operations. It is also used as an intermediate chemical, a solvent, and an anesthetic (ether), as well as in the production of smokeless gunpowder. The subject product is imported primarily from France and Germany.

Estimated effect on customs revenue:

HTS subheading: <u>2909.11.00</u>					
 	2006	2007	2008	2009	2010
Col. 1-General rate of duty	1%	1%	1%	1%	1%
Estimated value <i>dutiable</i> imports	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Customs revenue loss	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000

Source of estimated dutiable import data: Official U.S. Government statistics.

¹ Industry analyst preparing report: Jeff Clark (202-205-3318); Tariff Affairs contact: David Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Eastman Chemical Company (Proponent) Jorge San Pedro, Fax: 703-524-7707	08/10/2006 08/18/2006 08/25/2006	No	No	No
Abbott Laboratories Elaine Leavenworth, Fax: 202-783-6631	08/24/2006	No	No	No
BASF Corp. Greg Thies, Fax: 202-558-5101	08/24/2006	No	No	No
Bayer Corp. Karen Niedermeyer, Fax: 412-777-4740	08/24/2006	No	No	No
Biddle Sawyer Corp. William Thonack, Fax: 212-239-1089	08/24/2006	No	No	No
Bristol Myers Squibb David Warr, Fax: 202-783-2308	08/24/2006	No	No	No
Chemtura Carly Seymour, Fax: 202-463-8497	08/24/2006	No	No	No
Ciba Specialty Chemicals Corp. John Demming, Fax: 302-479-5152	08/24/2006	No	No	No
Clariant Corporation Andrew Zamoyiski, Fax: 202-248-9043	08/24/2006	No	No	No
Dow Lisa Schroeter, Fax: 202-429-3467	08/24/2006	No	No	No
Dupont Helen McMahon, Fax: 302-355-2994	08/24/2006	No	No	No
Eli Lilly Kathryn Karol, Fax: 202-624-9460	08/24/2006	No	No	No
Equistar (Lyondell) Edlu Thom, 202-639-0750	09/05/2006	Yes	Yes	Yes
Gilead Sciences Cheryl Myriad, Fax: 650-522-5853	08/24/2006	No	No	No
GlaxoSmithKline William Schuyler, Fax: 202-715-1001	08/24/2006	No	No	No
Honeywell International Art Simonetti, Fax: 202-662-2675	08/24/2006	No	No	No

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
Interferon Sciences, Inc. Samuel Ronel, Fax: 732-249-6895	08/24/2006	No	No	No
Lonza, Inc. Ray Esposito, Fax: 201-696-3487	08/24/2006	No	No	No
Merck & Co. Thomas Bombelles, Fax: 202-638-3670	08/24/2006	No	No	No
Monsanto Linda Strachan, Fax: 202-789-1867 Michael Parrish, Fax: 202-789-1867	08/24/2006	No	No	No
Pfizer Philip Ellsworth, Fax: 212-309-5317	08/24/2006	No	No	No
Procter & Gamble Jim McCarthy, Fax: 202-393-4606	08/24/2006	No	No	No
Rhodia Dominick Cangiano, Fax: 609-860-2256	08/24/2006	No	No	No
Schering-Plough Rob Lively, Fax: 202-463-8809	08/24/2006	No	No	No
Solutia Sue Cannon, Fax: 314-674-1585 Dan Jenkins, Fax: 314-674-1585	08/24/2006	No	No	No

Technical comments:³ None.

³ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

LYONDELL EQUISTAR

Lyondell Chemical Company
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Washington, DC 20004
Phone: 202.639.0750
Fax: 202.639.0506

August 31, 2006

The Honorable Daniel R. Pearson
Chairman
U. S. International Trade Commission
500 E Street, SW, Room 700
Washington, DC 20436

Dear Chairman Pearson:

I am writing to you to object to S. 3359, a bill to temporarily suspend the duty on diethyl ether. Equistar Chemical, a wholly owned subsidiary of Lyondell Chemical Company is the last remaining domestic producer of diethyl ether. The product is manufactured in Illinois. We believe the tariff suspension would hamper the competitiveness of this business and potentially have an impact on the viability of the manufacturing facility. In addition, diethyl ether is a product used in the manufacture of gunpowder and the United States would be dependent on other countries if domestic production were no longer available.

We urge the Finance Committee to reject S. 3359 and not suspend the duty on diethyl ether. Please don't hesitate to contact me at 202-639-0750 if you have any questions.

Sincerely,

Edlu J. Thom
Director, Government Affairs

109TH CONGRESS
2^D SESSION

S. 3359

To suspend temporarily the duty on diethyl ether.

IN THE SENATE OF THE UNITED STATES

JUNE 5, 2006

Mr. FRIST (for himself and Mr. ALEXANDER) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on diethyl ether.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. DIETHYL ETHER.**

4 (a) IN GENERAL.—Subchapter II of chapter 99 of
5 the Harmonized Tariff Schedule of the United States is
6 amended by inserting in numerical sequence the following
7 new heading:

“	9902.29.11	Diethyl ether (CAS No. 60–29–7) (provided for in subheading 2909.11.00)	Free	No change	No change	On or before 12/31/2009	”.
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8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply with respect to goods entered, or

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- 1 withdrawn from warehouse for consumption, on or after
- 2 the 15th day after the date of enactment of this Act.

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